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RUEHPOD RUEHVC
DE RUEHGZ #1288/01 3530045
ZNR UUUUU ZZH
R 170811Z DEC 07 ZDK CTG NUM SVCS
FM AMCONSUL GUANGZHOU
TO RUEHC/SECSTATE WASHDC 6743
INFO RUEHOO/CHINA POSTS COLLECTIVE
RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHZN/ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE
RUEAEPA/HQ EPA WASHDC
RUEAIIA/CIA WASHDC
RUEKJCS/DIA WASHDC
RHHMUNA/CDR USPACOM HONOLULU HI//J00/J2/J3/J5//

UNCLAS SECTION 01 OF 02 GUANGZHOU 001288

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EPA FOR OFFICE OF INTERNATIONAL AFFAIRS

E.O. 12958: N/A

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SUBJECT: Xiamen Shuts Down Online Poll amidst Public Opposition to
Chemical Plant

REF: A) Guangzhou 620, B) Guangzhou 742

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(U) This document is sensitive but unclassified. Please protect
accordingly.

¶1. (U) Summary: In the realm of make sure the response you get is
the response you're looking for, the Xiamen city
government-sponsored website - Xiamen Web - was shut down after an
overwhelming number of online voters expressed opposition to the
construction of a chemical plant near the center of the city. The
decision to shut down the website (citing technical problems)
clearly calls into question the government's commitment to
transparency and environmental health. Xiamen government has not yet
released an official statement on its current plans for the
construction of the chemical plant. End summary.

GDP Growth vs. Environmental Safety

¶2. (U) For the better part of 2007, Xiamen's government and
concerned citizens have been at odds regarding the construction of a
chemical plant by Tenglong Aromatic PX (Xiamen) Company (ref A).
The proposed plant would produce paraxylene (PX) -- a potent eye,
nose, and throat irritant -- for use in the manufacturing of
plastics, polyester, and film. Xiamen's government estimates that
the approximately USD 1.4 billion Taiwan-invested plant would
produce 800,000 tons of paraxylene annually. Overall, the plant
would contribute RMB 80 billion (approx. USD 11 billion) to Xiamen's
economy. Xiamen residents, however, are concerned by the possible
environmental impact. In May 2007, Xiamen suspended construction of
the plant after residents planned large-scale demonstrations.

¶3. (U) The Chinese Research Academy of Environmental Sciences
(CRAES) recently conducted an environmental risk assessment for
Haicang District, the proposed location for the plant. The study's
vague findings neither affirmed nor denied the project's
environmental risks. However, it concluded that construction of the
chemical plant, and the possible future development of Haicang into
an industrial hub, would require the relocation of many residences.
The report also called on the government to seek public input in the
decision-making process.

14. (U) Xiamen Web, a website sponsored by the Xiamen Committee of the Communist Party, established a webpage to allow citizens to cast their vote for or against the plant's construction. Voting commenced on the evening of December 8, and with an estimated 55,000 votes against and 3,000 votes in favor of the chemical plant, the website was unexpectedly taken offline the evening of December 10. Xiamen Web said the website was shut down due to technical difficulties and programming challenges, claiming that problems with the website's IP address prevented the company from weeding out duplicate votes -- a problem some computer experts say could have easily been solved without discounting all votes.

15. (U) In the wake of the cancelled online poll, Fujian province officials held a forum December 13 and 14, giving Xiamen residents the opportunity to voice their opinions regarding the pending construction plans. Through a lottery system for residents who registered online, or via hotline, 107 speakers were selected; 91 spoke in opposition to the plant, 15 spoke in favor, and 1 resident chose to walk-out of the forum. It is still unclear how this forum will affect the government's decision on how to proceed. Xiamen's government has not yet released an official statement on its current plans for the construction of the chemical plant.

Local Businesses Face Concerned Employees

16. (SBU) Local business owners, some of whom were not aware of the existence of the voting website, varied in their assessments of the dispute. Jeff Lee, Vice Chairman of the Xiamen Taiwanese Businessmen Association, and owner of Haicang District's Far East Steel Industry Company, told us he had "insider" information that the site would be built, though he did not disclose his sources. Lee noted that many of his workers had threatened to quit if the

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chemical plant is built near their factory. Lee has already made plans to relocate his factory pending the construction of the chemical plant, claiming that other area businessmen have the same plan. Kodak Company (Xiamen branch) External Affairs Manager Yek Li, on the other hand, has no plans to relocate, though he conceded that his workers, too, shared the sentiments of Lee's employees.

Comment: One Step Forward, Two Steps Back

17. (SBU) While the establishment of the polling website was originally seen as a step in the right direction toward public involvement in the decision-making process, its cancellation once again called into question the Xiamen Municipal Government's transparency. Government officials should not have been too surprised by the poll results. Opponents previously demonstrated their ability to use technology in pursuit of their cause. City residents used more than one million text messages (SMS) to organize a major protest in June after the authorities blocked email messages related to the planned demonstration (ref B).

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